VZCZCXRO5489 OO RUEHAG RUEHBC RUEHCN RUEHDBU RUEHDE RUEHDIR RUEHGH RUEHKUK RUEHROV DE RUEHBJ #6580 2831016 ZNY CCCCC ZZH O 101016Z OCT 07 FM AMEMBASSY BEIJING TO RUEHC/SECSTATE WASHDC IMMEDIATE 2667 INFO RUEHOO/CHINA POSTS COLLECTIVE PRIORITY RUCNCIS/CIS COLLECTIVE PRIORITY RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY RUCNIRA/IRAN COLLECTIVE PRIORITY RUEHAK/AMEMBASSY ANKARA PRIORITY 0348 RUEHBK/AMEMBASSY BANGKOK PRIORITY 5609 RUEHSW/AMEMBASSY BERN PRIORITY 0783 RUEHBR/AMEMBASSY BRASILIA PRIORITY 0424 RUEHBY/AMEMBASSY CANBERRA PRIORITY 9562 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 6619 RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 2530 RUEHSK/AMEMBASSY MINSK PRIORITY 0080 RUEHMO/AMEMBASSY MOSCOW PRIORITY 8815 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 4446 RUEHNY/AMEMBASSY OSLO PRIORITY 0882 RUEHOT/AMEMBASSY OTTAWA PRIORITY 4002 RUEHUL/AMEMBASSY SEOUL PRIORITY 0360 RUEHKO/AMEMBASSY TOKYO PRIORITY 1603 RUEHYE/AMEMBASSY YEREVAN PRIORITY 0021 RUEHBAD/AMCONSUL PERTH PRIORITY 0002 RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 0034

C O N F I D E N T I A L BEIJING 006580

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E.O. 12958: DECL: 10/10/2017

TAGS: ETTC PREL ENRG EPET NL IR CH

SUBJECT: ILSA: IRAN-CHINA YADAVARAN OIL FIELD AGREEMENT

DEMARCHE DELIVERED

REF: SECSTATE 142040

Classified By: Deputy Political Chief Ben Moeling for reasons 1.4 (b and d).

(C) Per reftel instructions, Charge conveyed U.S. concerns about new reports that Sinopec plans to sign an agreement to develop the Yadavaran oil fields in Iran to Assistant Foreign Minister He Yafei on October 10 and left a non-paper with reftel points. AFM He replied that China's economic relations with Iran are legitimate, reasonable and do not violate international, Chinese or Iranian law, and called on the United States to respect China's "legitimate interest" in Iran. Charge stressed that even if the issue did not raise legal questions, such an agreement would clearly send the wrong message to Iran and be counterproductive for the international community's efforts to use increased economic engagement as an incentive for Iran's compliance with UNSC resolutions.

Piccuta